



**Livestock and Seed Program
Audit, Review, and Compliance Branch
Quality System Audit Report**

AUDIT INFORMATION

Applicant Name:	NASAA Certified Organic Program (NASAA)
Est. Number:	NA
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Auditor(s):	Steve Ross
Program:	USDA National Organic Program
Audit Date(s):	July 20, 2005
Audit Identifier:	NP4345DDA
Action Required:	No
Audit Type:	Corrective Action Audit
Audit Objective:	To verify that corrective actions adequately address the non-compliances identified during the onsite audit of December 10-15, 2004
Audit Criteria:	<ul style="list-style-type: none">• <i>USDA, AMS 7 CFR Part 205, National Organic Program, Final Rule</i>, dated December 21, 2000
Audit Scope:	Submitted Corrective Actions submitted on May 30, 2005
Location(s) Audited:	Desk

FINDINGS

NASAA submitted corrective action and supporting documentation that adequately addressed the four (4) major non-compliances and four (4) minor non-compliances identified during the on-site audit conducted in December 2004.

NP4345DDA.NC1 - Major – Adequately Addressed – NOP §205.406(a)(3) To continue certification, a certified operation must annually pay the certification fees and submit the following information, as applicable, to the certifying agent: An update on the correction of minor non-compliances previously identified by the certifying agent as requiring correction for continued certification. *The Ogilvy, Schmidt, and Frasure operations had minor non-compliances issued in 2003 that needed corrective actions. NASAA failed to identify a time frame for the corrective actions. Also, the three operations failed to inform NASAA of corrective actions to the non-compliances identified. NASAA failed to follow-up with the three clients. The 2004 annual update submitted by the three operations failed to inform the certifying agent of the corrective actions or identify the non-compliances. NASAA conducted the annual*



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inspection and review and issued continued certification without any reference to the outstanding non-compliances. **Corrective Action:** The Program Manager for NASAA reviewed all the files associated with Ogilvy, Schmidt, and Frasure operations as well as others that are involved in the OBE system. All operations were notified of non-compliances where missed. NASAA reviewed and amended the review process, inspection checklist, and amended the IRC review sheet to highlight and trigger a review of contract conditions.

NP4345DDA.NC2 - Major – Adequately Addressed – NOP §205.237(a) the producer of an organic livestock operation must provide livestock with a total feed ration composed of agricultural products, including pasture and forage, that are organically produced and, if applicable organically handled. *The Tully livestock operation OSP indicated the livestock had been fed barley and a “lick block”. A review of the certificates used to verify the organic integrity of the feeds showed that both products had been certified to the Australian Certified Organic (ACO) BFA standards and not the NOP production standards. There was no verification by NASAA that the “lick block” was comprised of only trace minerals and did not have a carrier base of molasses or meal products.* **Corrective Action:** The Program Manager issued the Tully operation a non-compliance for the barley and lick block not having NOP certification. The Program Manager also issued a memo to all NOP livestock operators about NOP certified inputs. The Program Manager amended the organic system plan to include a checkbox for “certificates attached” in reference to feed inputs.

NP4345DDA.NC3 - Major – Adequately Addressed – NOP §205.236(c) the producer of an organic livestock operation must maintain records sufficient to preserve the identity of all organically managed animals and edible and non-edible animal products produced on the operation. *The Tully and Ogilvy livestock operations did not have records to show which animals were in compliance to the NOP rule as both operations had cattle that were not in compliance and running a dual operation.* **Corrective Action:** The Program Manager reviewed all OBE operator files again and issued non-compliances relating to the identification records of NOP livestock. Corrective actions have been received from the OBE operators by NASAA and approved with verification during the next on-site inspection by NASAA personnel.

NP4345DDA.NC4 - Major – Adequately Addressed – NOP §205.201(a) the producer or handler of a production or handling operation ... must develop an OSP that is agreed to by the producer or handler and the certifying agent. An OSP must meet the requirements set forth in this section for organic production or handling ... *The Tully livestock operation had applied for certification and sent in an OSP. NASAA reviewed the OSP and identified 13 points that needed more information or clarification, one of which as feed requirements, during the initial review. The Tully operation requested that the application be put on hold because it could not meet the feed requirements because of Copra Meal being fed and did not address the 13 points requested by NASAA. Nine months later the Tully operation requested to proceed with the application and sent in an “annual update OSP” which stated that no changes had been made to the operation. NASAA proceeded with an inspection without agreeing to the original OSP or update. The inspector determined that the Tully operation was in compliance during the inspection. The inspector was trying to determine compliance rather than verify compliance during the inspection. NASAA granted certification without issuing any non-compliance to the client.* **Corrective Action:** The Program Manager and Inspections Officer have reviewed the process and have amended the SOP to



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ensure that all OSP's are reviewed and verified in a timely fashion to prevent an inspection occurring without an approved OSP.

NP4345DDA.NC5 - Minor – Adequately Addressed – NOP §205.663 Any dispute with respect to denial of certification or proposed suspension or revocation... may be mediated at the request of the applicant ... and with acceptance by the certifying agent. *NASAA does not have a mediation process or procedure identified in their quality manual for NOP.* **Corrective Action:** The Program Manager has created a mediation process and procedure.

NP4345DDA.NC6 - Minor – Adequately Addressed – NOP §205.403(c)(3) The on-site inspection of an operation must verify: That prohibited substances have not been and are not being applied to the operation through means which , at the discretion of the certifying agent, may include the collection and testing of soil; water; waste; seeds; plant tissue; and plant, animal, and processed products samples. *The NASAA policy currently requires testing in order to add conditions for certification if the test results show residue in excess of 5% of the EPA tolerance or 10% maximum levels of the AQIS export standard.* **Corrective Action:** The current NASAA testing policy is an incorrect interpretation of the final rule. The 5% of the EPA tolerance list should only be used when the conditions to test are satisfied and should only be use when there is reason to suspect that there is residue from a prohibited substance.

NP4345DDA.NC7 - Minor – Adequately Addressed –NOP §205.662(b) When a certified operation demonstrates that each non-compliance has been resolved, the certifying agent shall send the certified operation a written notification of noncompliance resolution. *The NASAA policy or procedures does not include this requirement for client notification.* **Corrective Action:** The notice of non-compliance resolution process has been included in the NASAA program.

NP4345DDA.NC8 - Minor – Adequately Addressed – NOP §205.501(a)(11)(i) Prevent conflict of interest by: Not certifying a production or handling operation if the certifying agent or a responsibly connected party of such certifying agent has or has held a commercial interest in the production or ... *NASAA procedures do not preclude the certification of reasonably connected persons to the NASAA requirements which are the basis for an add-on NOP certification.* **Corrective Action:** NASAA has created and implemented a new policy to preclude reasonably connected persons from being certified.